C1850-4
10/20/87

October 1987

Industrial Distribution

A CAHNERS PUBLICATION

Hotline:
Prospecting
for profit

SUPPLIERS' CHOICE:

TOP DISTRIBUTORS

Special: How to sell PT components

ID Industrial Distribution®

Vol. 76, No. 10/76th yr. | A CAHNERS PUBLICATION | October 1987

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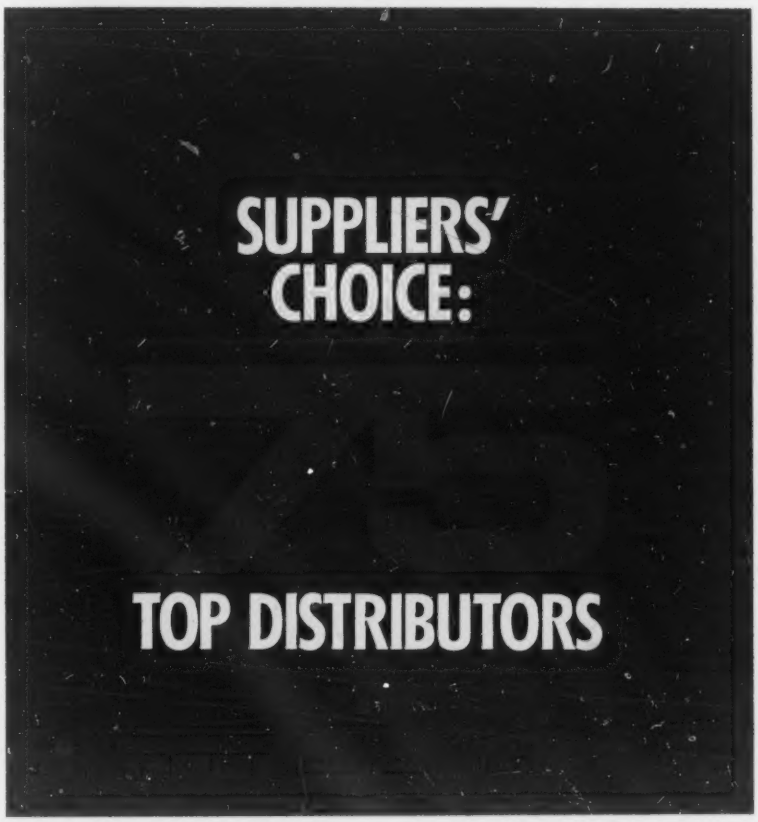

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INDUSTRY NEWS...

started in August and may continue into next spring. In addition, sometime this year a federal grand jury is expected to indict importers and distributors allegedly involved in counterfeit fastener operations.□

Ingersoll-Rand buys Seattle-based Beebe International

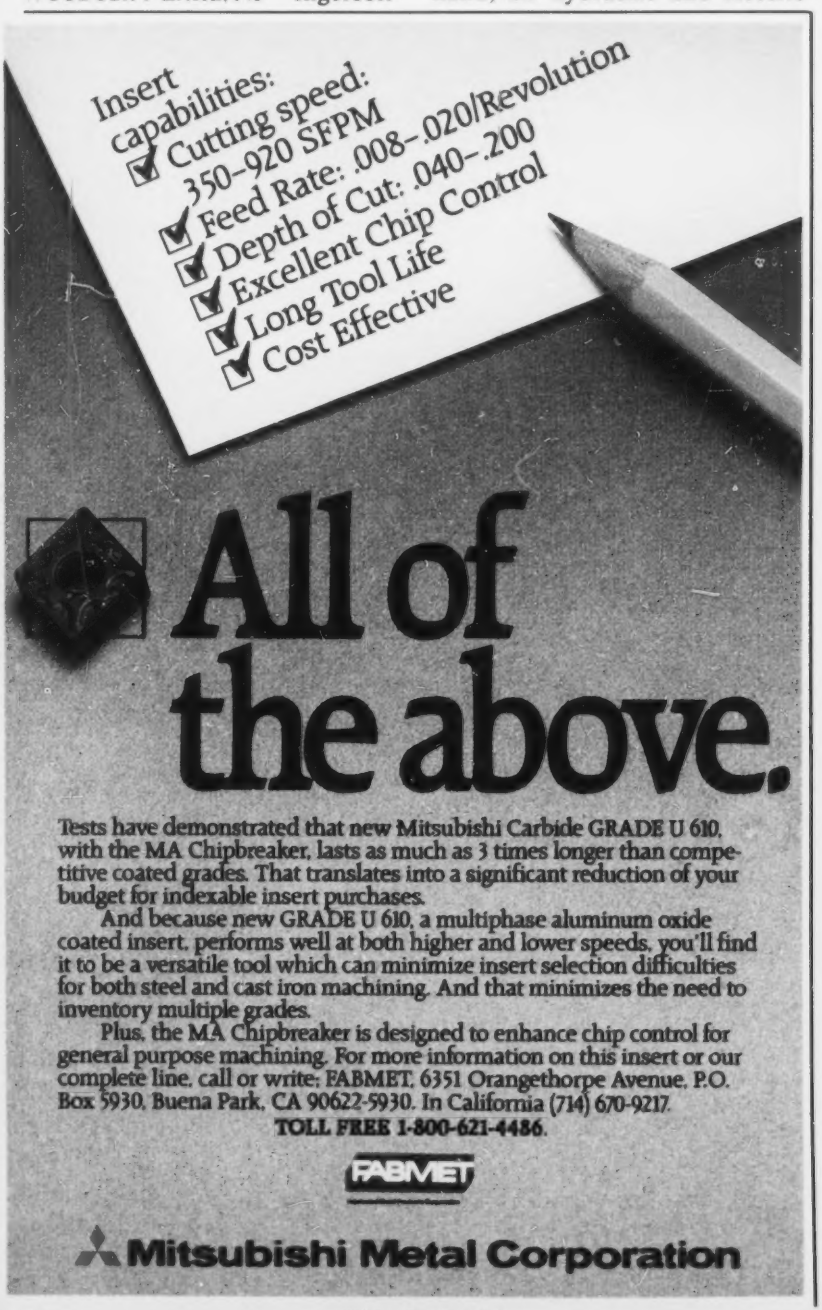
WOODCLIFF LAKE, NJ—Ingersoll-Rand Co., a leading manufacturer of industrial machinery and construction equipment, acquired Seattle-based Beebe International Aug. 5. Beebe is a producer of materials handling products.

Richard D. Johnson, a spokesman for Ingersoll-Rand, said Beebe will produce both Ingersoll and Beebe products at Ingersoll's Power Tool Div., headquartered in Liberty Corner, NJ. The products include hand, air hydraulic and electric-powered lifting and pulling equipment.

Johnson explained that Ingersoll plans to ultimately fold Beebe into a single, focused materials handling division. He noted that Beebe's current marketing system, which includes industrial distributors, remains intact.□

Indicators . . .

The *NIDA/SIDA Industrial Distribution Index*, which follows the sales of industrial maintenance, repair and operating equipment, experienced a hefty 9.1 point increase in July, surging to 149.6. All three reporting geographic regions sustained increases. The East was up 8.7 to 142.1, the Midwest was up 8.7 to 124.0, the West was up 7.4 to 181.5, and the South was up 11.2 to 189.6. Overall, the July 1987 number of 149.6 was up 3.2 points from July 1986 . . . The *NIDA/SIDA Industrial Supply Inflation Index* (1977=100) stood at 166.3 for July, down 0.2 points, or 0.1%, from the previous month and up 1.2 points, or 0.7%, from July 1986 . . . *SIDA's Monthly Sales Trend Report* for June showed an increase from the previous month. The 101 reporting locations experienced a 6.8% increase in sales for June 1987 as compared with the previous month, a 14.4% increase in June 1987 as compared with June 1986, and a 6.5% increase for the first 6 months of 1987 as compared with the first 6 months of 1986. In addition, 69 of the association's locations reported increased sales in June 1987 as compared with May 1987, 72 locations reported increased sales in June 1987 as compared with June 1986, and 59 locations reported increased sales for the first 6 months of 1987 as compared with the first 6 months of 1986 . . . The *ASMMA Two-Month Moving Average of New Orders, seasonally adjusted*, at 126.3 for June 1987, was down 1.7 points.□


Insert capabilities:
Cutting speed: 350–920 SFPM
Feed Rate: .008–.020/Revolution
Depth of Cut: .040–.200
Excellent Chip Control
Long Tool Life
Cost Effective
All of the above.
Tests have demonstrated that new Mitsubishi Carbide GRADE U 610, with the MA Chipbreaker, lasts as much as 3 times longer than competitive coated grades. That translates into a significant reduction of your budget for indexable insert purchases.
And because new GRADE U 610, a multiphase aluminum oxide coated insert, performs well at both higher and lower speeds, you'll find it to be a versatile tool which can minimize insert selection difficulties for both steel and cast iron machining. And that minimizes the need to inventory multiple grades.
Plus, the MA Chipbreaker is designed to enhance chip control for general purpose machining. For more information on this insert or our complete line, call or write: FABMET, 6351 Orangethorpe Avenue, P.O. Box 5930, Buena Park, CA 90622-5930. In California (714) 670-9217.
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In the real world of distribution what is a valid measure of success? Is it gross revenues? Is it number of branches or employees? Is it size of territory or number of outside and inside salespersons? Is it size of inventory and annual stock turns? Or is it the fact that you're at the leading edge of your industry with computers, telemarketing and electronic ordering?

In distribution, it may be all of these and more. But too many surveys conducted primarily to compare businesses automatically rank companies by total revenues over a given period as though sales alone are the ultimate measure of success.

When companies with the best sales records are put at the top of the list, it suggests that these companies have the best all-around records and that those that follow are secondary. This isn't the case in distribution.

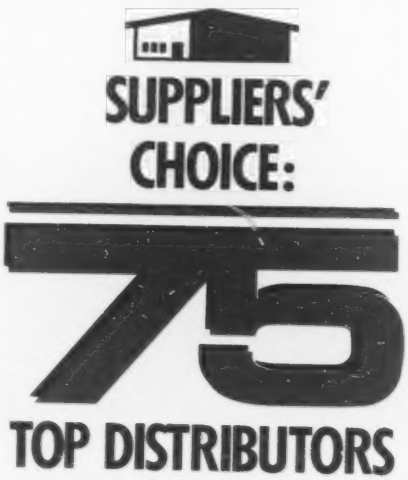
Distribution is generally regarded as a small business as well as a people business. Company sales across the bulk of the industry range anywhere from around $1 million annually to $10-$15 million. There are few corporate giants in industrial distribution. So, because there is sameness, success must reflect more than sales or earnings.

For one thing, growth in the industry is too random. Distribution continually goes through periods of adjustment. In the past few years, this industry has been kept in a constant state of flux by shifting or disappearing industrial markets, discounting by competition, a need for internal upgrading, markets demanding new and sometimes unfamiliar lines, and drains on profits through new taxes and soaring insurance costs.

Sales volume and earnings one year may be followed by a slump or a dramatic boost the next, making a dollar-based measure of success questionable. So, one measure of success is how well the distributor applies his skills to sustain a profitable operation over the years.

Suppliers' choice

Avoiding a dollar-based survey, INDUSTRIAL DISTRIBUTION conducted THE TOP 75 survey in two stages. First, we selected the one group most familiar with distributors on a national scale. Customers were excluded because they deal with a limited number of local distributors. So ***ID*** polled those who know most about their distributors, namely suppliers' sales and marketing executives, some 2100 in all, who sell their companies' products through a nationwide network of industrial distributors.



Management is the key reason that companies are rated tops.

Our editors sifted carefully through the responses and extracted THE TOP 75: those most mentioned by suppliers. This was our first measure of excellence.

Chicago-based McMaster-Carr Supply Co. topped the list based on five criteria of excellence (see table). Two southern distributors, Cameron & Barkley, Charleston, SC, and Briggs-Weaver, Dallas, TX, came in close seconds.

The fact that three distributors heading the list of 75 are known as giants in this industry (McMaster-Carr and Briggs-Weaver, Inc., both of which refused to provide data, and Cameron & Barkley with 800 employees and 1986 sales of $150 million) suggests that suppliers automatically named the major buyers and sellers of their products. Nevertheless, the fact that all of the suppliers who named these three generally rated them Good to Excellent in all five categories indicates the distributors were judged on more than purchasing power.

However, very few of THE TOP 75 distributors are considered giants. For example, Cincinnati Belting & Transmission, with 43 employees and rated Excellent in Management skills by the respondents, grossed $10 million in sales last year, making it average in sales volume but a winner in effective overall management.

Management is the key reason these companies are rated tops. When ***ID*** asked suppliers to rate their most respected distributors on five aspects of management style, their responses over the entire list of 75 top distributors ranged, overwhelmingly, from Excellent to Good. Any shortcomings, according to the suppliers, existed in distributors' Merchandising/Promotion skills.

Several of the top 12 (most mentions) rated almost perfect scores. Nearly all ratings for Garrett Industrial Supply Co., Los Angeles, CA, were Good to Excellent.

Ideally, a growth trend based on net earnings over a reasonably long period is probably the best measure of a distributor's "excellence." But so many distributors are privately held that earnings are rarely divulged. And since sales, size, number of employees, and other criteria alone or together may not provide enough information to measure "excellence," an independent survey like ***ID***'s uses other rating systems—in this case suppliers' educated opinions.

Not surprisingly, several distributors recognized among the largest either didn't make THE TOP 75 in this survey or were well down on the list in terms of number of mentions by suppliers. Distribution is replete with histories of companies with bulging ledgers that over-extended or were plainly mismanaged and either disappeared, are struggling to survive or remain average or less than average.

This survey proves that winners in distribution (1) command the hard-earned respect of those with whom they do business, (2) are well-managed in nearly every case, and (3) need not see size in terms of sales and assets as the goal of foresighted, profit-bound distributors.

75

E=Excellent
V=Very good
G=Good

	Management			Marketing/ Economics			Merchandising/ Promotion			Financial Acumen			Inventory Management		
	E	V	G	E	V	G	E	V	G	E	V	G	E	V	G
McMaster-Carr Supply Co.	•			•				•		•			•		
Cameron & Barkley Co.	•				•			•		•				•	
Briggs-Weaver, Inc.	•			•			•			•			•		
Garrett Industrial Supply Co.	•			•			•			•			•		
Motion Industries		•			•			•			•			•	
Vonnegut Industrial Products Inc.	•			•			•			•			•		
Ziegler Tools, Inc.	•				•		•			•			•		
Alamo Iron Works	•				•		•				•			•	
Berry Bearings Co.		•			•			•		•			•		
Harbor Tool Supply Co.	•			•			•			•			•		
Holloway Bros. Tools, Inc.	•			•			•			•			•		
Bearings, Inc.		•			•		•				•			•	
Texas Mill Supply & Mfg., Inc.		•			•			•			•		•		
Rex Supply Corp.	•				•		•			•			•		
C.L. Gransden & Co.	•			•				•		•			•		
Industrial Bearing & Transmissions		•		•			•				•		•		
Invetech Co. (Detroit Ball Bearing)	•				•			•			•		•		
Dillon Supply Co.	•				•			•			•			•	
Production Tool Supply Co.	•			•			•			•			•		
Noland Co.		•			•			•		•				•	
Apache Hose & Belting, Inc.	•			•			•			•			•		
Engman-Taylor Co.		•			•		•				•			•	
Fasteners, Inc.		•			•			•		•			•		
J. Fegely & Son Inc.	•					•		•			•			•	
W.W. Grainger, Inc.	•				•				•	•			•		
Kaman Bearing & Supply		•			•			•			•			•	
E.F. Bailey Co.	•					•	•				•			•	
Bearings & Drives Inc.	•				•			•		•			•		
Bossert Co.	•					•		•		•			•		
Industrial Supply Co.	•			•			•			•			•		
Quality Mill Supply Co.	•				•			•		•			•		
Southwest Industrial Supply Corp.	•				•			•		•			•		
B&J Industrial Supply Co.		•			•			•		•			•		
Boring & Smith Industries, Inc.	•			•			•			•			•		
Cincinnati Belting & Transmission	•					•	•			•				•	
Doussan, Inc.	•					•			•		•		•		
Empire Machinery & Supply Corp.	•					•			•		•			•	
Ensco Supply Co.		•		•			•			•			•		

Distributors are ranked based on number of mentions. Those grouped between bold lines received equal number of mentions and are listed alphabetically.

75

E=Excellent
V=Very good
G=Good

	Management			Marketing/ Economics			Merchandising/ Promotion			Financial Acumen			Inventory Management		
	E	V	G	E	V	G	E	V	G	E	V	G	E	V	G
J&L Industrial Supply Co.	•				•		•			•			•		
Kaner Co.		•			•		•			•			•		
Kel-Welco Distributing, Inc.		•			•		•				•		•		
King Bearing, Inc.	•				•			•			•			•	
Machine Tool Supply, Inc.		•				•		•		•				•	
Neill LaVielle Supply Co.		•				•		•		•				•	
Transply, Inc.		•				•		•		•			•		
Abco Hardware & Builders Supply	•			•			•			•			•		
Alaska Industrial Hardware	•			•				•			•		•		
Bamber Tool Supplies, Inc.	•			•				•		•				•	
Buford Bros., Inc.	•					•			•	•				•	
Carey Machinery & Supply Co.			•		•				•		•			•	
Carlson-Dimond & Wright Inc.	•					•		•		•			•		
Chicago Chain & Transmission Co.	•					•		•		•			•		
Fairmont Supply Co.	•			•					•		•		•		
GRS Industrial Supply Co.	•			•			•			•			•		
Walter R. Hammond Co.		•				•			•	•			•		
R.S. Hughes Co.	•			•			•			•			•		
Industrial Tool & Supply Co.	•				•		•			•					•
Krivo Industrial Supply Co.		•				•			•	•				•	
Lakeshore Machinery Inc.	•			•				•		•			•		
Laman-Loesche Supply Co.		•			•				•	•			•		
James McGraw, Inc.	•					•	•			•					•
McJunkin Corp.		•			•				•	•			•		
Phillips/Day & Maddock Inc.	•			•			•			•			•		
Plant Service Co.	•			•			•			•				•	
Pleasants Hardware Co.			•			•	•			•					•
C.W. Rod Tool Co.			•			•		•			•		•		
S&K/Air Power Tool & Supply Co.		•				•		•			•		•		
Satterlee Co.	•				•			•		•			•		
Shadbolt & Boyd Co.	•			•			•			•			•		
Southern Belting & Transmission Co.	•					•	•			•			•		
Spencer Products Co.	•			•			•			•			•		
Strong Tool Co.		•		•			•					•			•
Tracy Robinson & Williams Co.	•			•			•			•			•		
Travers Tool Co.			•		•		•				•				•
Turner Supply Co.		•				•			•	•			•		

Some distributors in THE TOP 75 have been acquired, divested or changed status since our research was conducted. They are still included in our list.

75

1

McMaster-Carr Supply Co.

Chicago, IL

Jay Delaney, President

1986 sales: $300-$500 million

Branches: 3 **Employees:** N.A.

This privately held, family-owned giant, which operates warehouses on both coasts plus one in Chicago, is purportedly the largest telephone and mail order general line distributor in the nation. Renowned for its reluctance to publicize its size or sales operating methods, this company, nevertheless, was named more often by suppliers as a top distributor than any other in the survey. Despite the fact that McMaster-Carr hasn't employed a single salesperson since 1948, sales now range, according to one source, from $300-$500 million annually. The company's major symbol is its 3-in.-thick, 2100-pg catalog with a closely spaced index listing some 33,000 items. McMaster-Carr's reputation rests mainly on its enviable customer service, highlighted by the size and great diversity of an inventory that extends far beyond the typical distributor's stock in trade. Case in point: the company's catalog features robotics, solar devices, fiber optics, and lasers. Founded in 1901.

2

Cameron & Barkley Co.

Charleston, SC

James Warren, President

1986 sales: $157 million

Branches: 45 **Employees:** 850

When CamBar recently announced it had chosen James Warren as its new president, the company sent a signal that it intends to pursue an ambitious acquisition program. To date, 45 CamBar businesses dot the Carolinas, Georgia, Florida, and Tennessee, while the states of Virginia and Alabama are rumored as likely expansion points. With sales evenly split between its industrial and electrical divisions, CamBar maintains specialties within each. Power transmission, packing and sealings, bearings, materials handling, and paints are its dominant products in the industrial sector. In its electrical division, factory automation is viewed as a growth area. Although sales of robotics are currently flat for the company, its sales of turnkey computer systems as well as programmable controllers remain healthy. Major markets include textiles, mining, chemicals, and agribusinesses. CamBar's 140 inside and 160 outside salespeople sell its $29 million inventory. The company is unique in that it is entirely employee owned. Founded in 1865.

3

Briggs-Weaver, Inc.

Dallas, TX

Rob C. Mellor, President

1986 sales: $110 million

Branches: 16 **Employees:** 560

The diversity of Briggs-Weaver's product line is illustrated by the 1200-pg catalog offered to customers. The company, which services largely MRO needs to the Southwest, stocks pumps, instruments and controls, safety products, filters, electrical equipment, bearings, hose, materials handling equipment, power and machine tools, hand and precision tools, abrasives, and cutting and threading tools. Briggs-Weaver maintains an on-line, computerized, automatic reordering system designed by the company to assist customers. One reason its inventory management system succeeds is Briggs-Weaver's ability to customize to meet specific client needs. Its Capital Equipment Div. is home to one of the largest, most diversified lines of capital equipment and materials handling products in the country. The company provides repair and rebuilding services, installation, consignment stocking, training seminars, and vendor stocking programs. Briggs-Weaver is a subsidiary of Samson Enterprises. Founded in 1896.

4

Garrett Industrial Supply Co.

Los Angeles, CA

David C. Duff, VicePresident/Div.Mgr.

1986 sales: N.A.

Branches: 10 **Employees:** 335

Although the company recently added a distributorship in Baltimore, for the time being at least, Garrett appears interested in enhancing only its existing operations. Committed to inventory management and customer service, Garrett is expanding its resources to achieve those goals. Taking particular pride in its sales force, the company employs 75 inside and 100 outside salespeople and boasts a competitive edge through extensive training at all employee levels. On average, the company fills 1700 orders each day. Customers' systems contracts account for 25% of sales. With the growth of just-in-time inventory requirements, the company reports that an increasing number of customers look to Garrett as an inventory source as an alternative to maintaining their own supplies. The company is an operating unit of Allied-Signal Co., an aerospace conglomerate with 1986 sales of $12 billion. Founded in 1936.

5

Motion Industries

Birmingham, AL

Michael S. Gaffney, President

1986 sales: $420 million

Branches: 161 **Employees:** 1900

Motion Industries claims high return on investments and no debt and employs more than 1900 people at its 161 branches. The company has 528 inside and 472 outside salespeople. Its area of business extends from California, the Midwest and throughout the southern half of the U.S. to Florida and up through Virginia. The company's goal is to cover the entire U.S. with additional branch openings and new acquisitions. Operating with the advantage of significant purchasing power, Motion Industries can set the pace in general line distribution. The company distributes hydraulic valves and pumps, valve actuators, programmable controllers, filters, electrical equipment, power transmission products, hose, and conveyor belting. With some 900 separate systems contracts comprising 25% of 1986 sales, daily billings are nearly $2 million, representing approximately 2700 orders. The value of the company's standard inventory kept on hand is $73 million. Founded in 1946.

6

Vonnegut Industrial Products

Indianapolis, IN

Thomas E. Kaercher, President

1986 sales: $36 million

Employees: 152 **Branches:** N.A.

One of the oldest privately held distributors in the country, 135-year-old Vonnegut carries some 600 product lines. With more than half its business devoted to systems contracts, the company actively pursues additional accounts widely seen as highly profitable. Of the company's 152 employees, 22 serve as inside sales people, including telemarketers. Another 43 persons comprise the outside sales force. The company credits its ability to outpace competitors to several factors: the broad range of products it carries, its in-house product specialists and its vast inventory, valued in excess of $45 million. Vonnegut stocks pumps, instruments and controls, programmable controllers, power transmission equipment, abrasives, and cutting tools. The company also invested in the latest warehousing equipment to quickly store and retrieve orders. Vonnegut plans to increase its advertising efforts in order to obtain more exposure with its audience. Founded in 1852.

75

7

Ziegler Tools, Inc.

Atlanta, GA

W.R. Ziegler, President

1986 sales: $15 million plus

Branches: 2 **Employees:** 90

While Ziegler conducts the bulk of its business from its main Atlanta facility, its Macon, GA, satellite branch assumed increased importance in the last few years. As a result, Ziegler is completing a new facility in Macon. Sales for this privately held general line distributor were "over $15 million" in 1986. Of its total business, approximately 10% represented sales through systems contracts, which the company actively tries to increase each year. Ziegler attributes its success to customer service and prompt delivery. The company carries 300 product lines with inventory levels in the $2½-$5 million range. Ziegler provides authorized service, assembly, 24-hour service, and technical assistance on all its major product lines. The company plans to increase its product line and expand into adjacent states. Founded in 1948.

8

Alamo Iron Works

San Antonio, TX

Carl Schenken, President

1986 sales: $50 million

Branches: 5 **Employees:** 360

Alamo Iron Works, self-described as "growth oriented," made the decision to expand through acquisition rather than by opening new branches. The general line distributor has five branches and a workforce of 360, which includes 100 salespeople evenly divided between inside and outside sales. This general line distributor fills 500 orders a day from the 400 product lines it carries. Spurred by the depressed oil services industry, Alamo reports it has "learned to make money." Faced with lower sales and a more competitive environment, the company steadfastly held onto its customer base by enhancing value-added services. Alamo maintains a fleet of 26 delivery vehicles that provide the capability of 24-hour delivery several hundred miles from its warehouse. Since last year, Alamo has used a software package that gives it a competitive advantage by allowing the company to adjust prices to a customer's specific needs. Alamo also offers a limited type of one-stop shopping for profitable specials via its machine shops, foundries, steel fabricating shops, and steel service center. Founded in 1878.

9

Berry Bearings Co.

Lyons, IL

Gardner Larned, President

1986 sales: N.A.

Branches: 80 **Employees:** 1000

Part of Berry's corporate strategy appears to include a desire to operate with as little publicity as possible. Information on how the company conducts its various businesses is very sketchy but it is obvious that manufacturers in this survey believe this distributor is very well run. Berry volunteered the information, however, that it is one of the largest bearing distributors in the country. The privately held company has bearing and power transmission branches in 15 states, from Billings to Baltimore. In addition, the company owns machine shops, fabricating facilities and a bearing manufacturing company. According to company sources, Berry plans substantial expansion in the next 24 months through product diversification and acquisitions. Founded in 1920.

10

Harbor Tool Supply Co.

Westwood, MA

Arthur Silbert, President

1986 sales: $20 million

Branches: 2 **Employees:** 95

Headquartered south of Boston, Harbor Tool has successfully adjusted to the radically shifting economy of New England. With ship repair and building all but gone from the immediate area, the company is cultivating new markets in Maine. Two more branches are scheduled to open in Maine during the next 4 to 6 months, and it seems that Harbor has chosen its markets well. The company fills an average of 800 orders a day and considers itself a general line distributor. However, the company does a robust business in the precision tool specialties, catering to the nearby high-tech markets along the Route 128 corridor and in Cambridge. The company carries an inventory of $1-$2½ million, merchandises 250 product lines and has a sales team of 28—14 inside and 14 outside salespeople. Systems contracts account for 10% of Harbor's business. The company keeps a carbide specialist on staff. Founded in 1946.

11

Holloway Bros. Tools, Inc.

Wilmington, DE

Jack Holloway, President

1986 sales: $10 million

Branches: 1 **Employees:** 43

This single-branch general line distributor currently derives 60% of its business through systems contracts. Holloway's sales force of 15, which is evenly divided between counter, outside and telephone salespeople, processes between 120 and 150 orders per day. Servicing the construction, chemical, petroleum, and utilities industries in and around the Delaware River and Chesapeake Bay areas, Holloway also provides authorized repair, assembly, 24-hour service, and technical assistance. In addition, general manufacturing, machine and fabrication shops are sources of business for this company of 300 different product lines. Inventory is placed at $2½-$5 million. Executives describe Holloway Bros. as highly disciplined with tight controls and a strong sense of inventory management. Founded in 1945.

12

Bearings, Inc.

Cleveland, OH

John R. Cunin, CEO

1986 sales: $490 million

Branches: 268 **Employees:** 3000

With 400 inside and 400 outside salespeople operating throughout 35 states, Bearings, Inc. is the largest independent distributor of bearings, power transmission components and related products in the U.S. The company, name aside, describes itself as "a supermarket of products." Having grown from a single facility 64 years ago, the company boasts that it added branches at a rate of four per year for 64 years. Today, Bearings, Inc.'s 250 branches carry 400 product lines, and systems contracts account for 50% of its sales. Part of the company's success is due to constant honing of the services available to customers. The company's primary markets include textiles, metals, pulp and paper, wood products, and railroad supplies. Concerned with the "deindustrialization" of America, Bearings, Inc. relies upon such value-added services as repair and rebuilding operations as well as training seminars to help sustain sales. The company recently launched a "We proudly sell American products" public affairs campaign. Founded in 1923.

75

Abco Hardware and Builders Supply
Lynwood, CA
Gerald S. Goldberg, President
1986 sales: $30 million plus
Branches: 8 **Employees:** 300
"Do unto others as you would have them do unto you" is plastered in large letters across pages 3 and 4 of Abco's 1000-pg, hard-bound catalog. So entrenched is the "good neighbor" policy that Abco will issue a check for lost time to customers affected by late deliveries. Abco secures employee dedication by what Goldberg calls one of the best plans in the industry. One long-tenured clerical employee, for example, recently left Abco with a check for $121,000, typical of the company's "good place to work" policy. Founded in 1938.

Alaska Industrial Hardware
Anchorage, AK
Josef F. Boehm, President
1986 sales: $18.25 million
Branches: 9 **Employees:** 102
By most standards, Alaska is considered an out-of-the-way location for doing business. Not so, for this, the largest of industrial distributors in the state. A general liner boasting branches in Fairbanks, Wasilla, Kenai, and Eagle River, much of this company's inventory is barged into Anchorage then flown to convenient locations like Prudhoe Bay, 500 miles north of the Arctic Circle. As products can take months to receive from the mainland, Alaska Industrial's inventory consists of 400 product lines worth more than $5 million. Founded in 1959.

Apache Hose & Belting, Inc.
Cedar Rapids, IA
William Nissen, President
1986 sales: $19 million
Branches: 5 **Employees:** 125
Financial stability, technical expertise and a strong inventory base help Apache Hose maintain steady profitability. The company's sales rose 3% in 1986. President Nissen said one of the company's strengths is its high-quality personnel. He noted that Apache started a 10-year program in 1985 to turn the company completely over to employee ownership. Nissen also said the belting specialist plans to add two branches within the next 5 years. The company has 16 inside,16 outside salespeople. Founded in 1963.

B&J Industrial Supply Co.
Seattle, WA
C.T. Burkland, President
1986 sales: $13 million
Branches: 1 **Employees:** 67
As U.S. shipbuilding heads for South Korea and other ports, carving out a new market niche in the Seattle area is not very easy. With the many area distributors focusing mainly on Boeing, B&J doubled its efforts, capturing a larger share of remaining maritime business while aggressively pursuing the forestry industry and general contracting trades. The extra effort worked. Sales in 1985 were $12 million, climbing to $13 million in 1986 amid an eroding industrial base. Founded in 1936.

E.F. Bailey Co.
Seattle, WA
Karl Iverson, President
1986 sales: $15 million
Branches: 1 **Employees:** 28
Asked about its sales, Bailey would admit only to a substantial increase in 1986. On the average, Bailey processes 250 orders a day through its 10 inside and nine outside salespeople. In line with the company's philosophy,Bailey aims to become the consummate cutting tool and abrasives specialist and to maximize customer service. Covering the state of Washington, part of Idaho and Portland, OR, Bailey finds aircraft and aerospace a strong market for its products. Founded in 1945.

Bamber Tool Supplies,Inc.
North Haven, CT
Andrew Bamber, President
1986 sales: $6.2 million
Branches: 1 **Employees:** 30
With neighbors like General Dynamics' Electric Boat Div., Pratt & Whitney and General Electric all in close proximity, Bamber Tool now finds it is one of the largest specialty cutting tool distributors in Connecticut. Servicing subcontractors whose lifeblood is defense, Bamber notes that a weakening economy has started to affect its business, and that margins are increasingly difficult to maintain. One possible solution is expansion into other geographic locations. Another option, notes Bamber, is specialization in some other tool area. Founded in 1955.

Bearings & Drives Inc.
El Monte, CA
E.W. Murphy, President
1986 sales: $5 million
Branches: 3 **Employees:** 35
This 42-year-old company is contemplating expansion into a related field. Sales increased substantially in 1986 and the company is currently negotiating to become a manufacturer of industrial products. Bearings & Drives views this new area of activity as an opportunity to increase profitability. Company officials say manufacturing will let the firm break away from what it sees as industrial distribution's limited profit margins and competition. Founded in 1945.

Boring & Smith Industries
Tucker, GA
Douglass C. Smith, President
1986 sales: $8 million
Branches: 1 **Employees:** 36
Boring & Smith succeeds due to an aggressive marketing strategy. Smith, the company's president, said the firm does about 65% of its business selling off of its trucks and 35% out of its warehouse. The company has six outside and five inside salespeople, carries 30 different product lines and handles about 180 orders daily. In 1982, Boring & Smith acquired Georgia-Alabama Supply Co, West Point, GA, a traditional mill house. Smith indicated that company plans include acquisitions. Founded in 1972.

Bossert Co.
Kansas City, MO
B.B. Fox, President
1986 sales: $17 million
Branches: 1 **Employees:** 62
By servicing a large geographical area from its single branch, Bossert keeps its overhead low and market share high. Servicing machine and metalworking shops, the company places a high priority on maintaining a large inventory while reinforcing its readily available products with top-quality service, well-trained counterpeople and technical assistance. With half the company's employees in sales, its appetite for new markets is voracious. Bossert plans to "move into municipalities" by changing its product mix to suit the area. Founded in 1945.

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Buford Bros., Inc.
Nashville, TN
T.L. Ritter, President
1986 sales: $13.8 million
Branches: 1 **Employees:** 48
T.L. Ritter, Buford Bros.' president, plans to move more aggressively into the middle-Tennessee market through a "substantial redeployment of liquid assets." This comment comes after the recent sale of two of Buford's eastern-Tennessee branches to Cameron & Barkley. Describing itself as a "specialist-generalist," Buford principally services machine shops. While crediting a growing economy for healthy sales, the company also heralds automatic ordering, strategic planning and aggresive selling. Founded in 1837.

Carey Machinery & Supply
Baltimore, MD
G. Cheston Carey, Jr., President
1986 sales: $12 million
Branches: 3 **Employees:** 50
Once dependent upon smokestack industry, Carey's general line distributorship now markets its wares to aerospace, medical, high-technology, and government industries. By carrying top-quality lines, implementing electronic ordering and obtaining systems contracts, Carey, 1987-1988 president of the National Industrial Distributors Assn., succeeded in capturing his competitors' market share. Company plans call for geographic expansion within the same product lines. Founded in 1886.

Carlson-Dimond & Wright Inc.
Warren, MI
James T. Wright, President
1986 sales: $7.5 million
Branches: 1 **Employees:** 21
Aware that the power transmission business is becoming increasingly complex, CDW made a market for itself against rival "supermarkets." Although hindered by limited purchasing power, Wright claims the edge with technical know-how. Observing that young plant workers lack much-needed hands-on experience, the company emphasizes technical assistance as a value-added service. Although heavily reliant upon the auto industry, Carlson managed to increase revenues at a time when Detroit sees sales slipping. Founded in 1937.

Chicago Chain & Transmission Co.
LaGrange, IL
Harry Schwarz, President
1986 sales: $12 million
Branches: 1 **Employees:** 34
A specialty power transmission distributor, Chicago Chain services food processors, OEMs, and chemical and conveyor markets. Schwarz cites the company's problem-solving abilities in the high-tech power transmission market, value-added services and low employee turnover as reasons for the company's success. Chicago Chain also alerts customers that it is not a commodity house for PT products. The company expects to realize increased growth by offering design facilities, technical assistance and expanded product lines. Founded in 1965.

Cincinnati Belting & Transmission
Cincinnati, OH
Jim Stahl, President
1986 sales: $10 million
Branches: 1 **Employees:** 42
When Jim Stahl bought his business in 1975, he had only six employees, sales of $450,000 and no experience in industrial distribution. Today, his specialty power transmission business boasts 10 inside and 12 outside salespeople and estimates gross revenues for 1987 at $13 million. Realizing that power transmission markets would not be growing, Cincinnati Belting & Transmission achieved substantial growth in high-tech motion control and became the first Allen-Bradley PT distributor in the country. Founded in 1917.

Dillon Supply Co.
Raleigh, NC
C.A. Dillon, President
1986 sales: $55 million
Branches: 11 **Employees:** 300
Dillon, citing its 73-year history as a general line supplier, foresees no radical changes in its future. The company opened two branches in the past year. On the average, Dillon processes 1000 orders daily through its 40 inside and 60 outside salespeople. The company continues to expand its product line and add branches as opportunities are presented. Founded in 1914.

Doussan, Inc.
New Orleans, LA
Leonard Doussan, Sr., President
1986 sales: $20 million
Branches: 2 **Employees:** 97
Successfully reacting to mistakes and solving customer problems make Doussan a top distributor. According to a company spokesperson, Doussan's loyalty and commitment to the products it sells contribute to its enjoyment of a strong reputation. "We don't take on a line unless we feel we can do a good job with it," the spokesperson noted. The company has 25 contract accounts, the bulk of which it has handled for 20 years. Doussan has 16 outside and 15 inside salespeople and handles about 300 orders daily. Founded in 1945.

Empire Machinery & Supply
Norfolk, VA
H.P. McNeal, Chairman
1986 sales: $20 million
Branches: 3 **Employees:** 105
Honesty, fairness and a strong knowledge of the business contribute to the success of Empire Machinery. Chairman McNeal noted that Empire Machinery's strength is its employees, many of whom have been with the company for several years. In addition, McNeal said Empire plans to improve its computer capability by providing customers with order-entry capability. This general line distributor has 40 inside and 10 outside salespeople, carries slightly over 2000 product lines and handles about 400 orders daily. Founded in 1914.

Engman-Taylor Co.
Menomonee Falls, WI
Richard W. Star, President
1986 sales: $13 million
Branches: 3 **Employees:** 68
This privately held company, a cutting tool and abrasives specialist for more than 30 years, will soon announce the creation of its new Maintenance Products Co. division located in Milwaukee. The new unit will function as a general line distribution branch to service customers with MRO products. With an inventory valued in excess of $1 million, the company fills approximately 180 orders a day, of which about 25% are systems contracts. Founded in 1956.

Ensco Supply Co.
Greensboro, NC
Randolph G. Ensign, President
1986 sales: $6.5 million
Branches: 2 **Employees:** 58
According to Ensco's President Ensign, the company's success stems from a work force with the technical knowledge necessary to serve as customer consultants. Ensign says that, due to total commitment to service, the company grew 8% in 1986. Ensco markets itself aggressively through television advertising, has started a direct marketing program supported by its telemarketing staff and plans to expand its two branches. Founded in 1946.

Fairmont Supply Co.
Washington, PA
David R. Pattison, President
1986 sales: $200 million
Branches: 32 **Employees:** 650
Fairmont is an aggressive company proud of its past and poised for the future. According to President Pattison, during the mid-1950's Fairmont was one of the first eastern distributors to spearhead the value-added concept through the use of systems contracts. In 1985, the company was selected along with two other large distributors to supply Du Pont's MRO needs. Fairmont has 78 inside and 50 outside salespeople, carries in excess of 500 product lines and generates more than 50% of its business in systems contracts. Founded in 1921.

Fasteners, Inc.
Newington, CT
E.D. Otto, President
1986 sales: $3.5 million
Branches: 1 **Employees:** 15
This single-branch Connecticut distributor attributes its success to handling domestic products exclusively in its construction fastener line. A recent doubling of office and warehouse space leaves the company poised for growth. Firmly committed to systems contracts, 70% of Fasteners, Inc.'s business is now represented by that portion of the business. As a result, this 126-year-old company stocks a $1 million-plus inventory with emphasis on stocking a manufacturer's complete line. Founded in 1962.

J. Fegely & Son Inc.
Pottstown, PA
John J. McCaslin, President
1986 sales: $10.9 million
Branches: 4 **Employees:** 70
Fegely is looking at mergers and acquisitions in what it calls "traditional and nontraditional" product lines. While firmly committed to remaining in Pennsylvania, this privately held company expects to expand its geographic coverage through increased use of telemarketing and catalog sales. Six of the company's 16 inside salespeople perform telemarketing. The company fills 400 orders per day. Founded in 1851.

GRS Industrial Supply Co.
Grand Rapids, MI
Marion E. Keller, President
1986 sales: $12.1 million
Branches: 3 **Employees:** 58
A sales staff with an average experience level of 17 years and solid technical expertise makes GRS a growing firm. Formerly Grand Rapids Supply, the company changed its name last year when it added a branch in Kalamazoo, MI. Keller, the company's president, said another company strength is its 95% fill rate on stock items. GRS has 12 outside and nine inside salespeople, carries about 250 product lines and fills about 260 orders each day. Systems contracts account for roughly 10% of GRS' business. Founded in 1936.

W.W. Grainger, Inc.
Niles, IL
Wiley N. Caldwell, President
1986 sales: $1.6 billion
Branches: 200 **Employees:** 5700
From its number of branches to the size and diversity of its inventory, everything about Grainger is impressive, including the quality of its management. This giant distributor's stated goal is to add up to 100 new branches in the next 3 to 4 years, an increase of about 50%. Many of these additions will be satellite stores in cities. Grainger senses a vacuum where office construction requires rapid customer service. The company also expects to add to its existing line of 15,000 products, now sold by a contingent of 665 salespeople. Founded in 1927.

C.L. Gransden & Co.
Dearborn, MI
Charles G. Lendvoyi, President
1986 sales: $15 million
Branches: 1 **Employees:** 40
Gransden, formerly a wholly owned subsidiary of Columbia General, is undergoing a leveraged buyout by its top management. The company has 13 salespeople—five inside and eight outside. This general liner's major goal is to upgrade its systems to better service its customers, comprised primarily of auto and auto-related companies in the Dearborn area. Gransden is also becoming heavily involved in electronic ordering. Expansion, the company says, is not currently Gransden's primary objective. Founded in 1917.

Walter R. Hammond Co.
Minneapolis, MN
Jerry D. Hammond, President
1986 sales: $6 million plus (est.)
Branches: 1 **Employees:** 33
Hammond experiences 7 to 8% growth annually with sales this year projected at $6.5-$8 million, which "should be dwarfed next year," according to a company spokesperson. Using electronic ordering, the company is at the leading edge of communications technology. A substantial part of Hammond's growth is due to its aggressive direct mail program; the company mails 3800 pieces of literature monthly, some of it suppliers' literature, some written and designed in house. Founded in 1944.

R.S. Hughes Co.
Sunnyvale, CA
Robert H. McCollum, President
1986 sales: $50 million
Branches: 20 **Employees:** 200
Although it represents only 30 suppliers, this highly specialized distributor of industrial adhesives is one of the largest in the nation. Servicing customers primarily in western and southwestern markets, Hughes' recent acquisition of four Florida branches of Dayton Distributors positioned the company as a considerable presence in the sunbelt. In line with its corporate strategy, Hughes aims to achieve 20% annual growth amid an adhesives industry said to be growing at 7 to 8%. The company's 20 stocking locations, which service customers nationally, contain $6 million in inventory. Founded in 1954.

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Industrial Bearing & Transmissions
Columbus, GA
J.P. Massey, President
1986 sales: $5 million plus
Branches: 3 **Employees:** 35
Industrial Bearing is firmly committed to its specialty. Its customers include the food processing, textile and rubber industries. The company has eight inside and seven outside salespeople and has been privately held since being founded 35 years ago. Industrial Bearing & Transmissions anticipates modest but steady growth over the next year. Founded in 1952.

Industrial Supply Co.
Salt Lake City, UT
Philip M. Thompson, Jr., CEO
1986 sales: $18.9 million
Branches: 1 **Employees:** 95
Innovation is a hallmark of this firm. As one example, Industrial Supply's CEO Thompson points to a unique television advertising campaign as a key factor in generating growth and financial stability. According to Thompson, the company's strength is its people. All employees must spend time in the warehouse when they first start and periodically attend seminars as they progress with the company. This general line distributor has 14 inside sales reps and 28 outside people. Founded in 1916.

Industrial Tool & Supply Co.
San Jose, CA
James E. Allen, President
1986 sales: $6 million
Branches: 1 **Employees:** 25
This cutting tool distributor's new management trio plans to organize coverage of sales territories by geography, instead of simply calling on major accounts. According to a company spokesperson, one of the firm's strong points is its thorough and knowledgeable sales force. Industrial Tool & Supply has seven outside and four inside salespeople, carries 150 top lines and handles about 100 orders daily. In addition, systems contracts account for roughly 20% of the company's business. Founded in 1947.

Invetech Co.
(Detroit Ball Bearing)
Detroit, MI
Michael Moore, President
1986 Sales: N.A.
Branches: 85 **Employees:** 1000
Invetech is serious about giving its customers the best service possible. To prove its commitment, the company has been open 24 hours every day, 7 days a week, for the past 10 years. Moore, Invetech's president, said many of the industrial concerns in the Detroit area operate round-the-clock and need that kind of service. The company has 250 inside and 100 outside salespeople, carries 125 product lines and handles about 4500 orders every day. Systems contracts generate roughly 30% of Invetech's business. Founded in 1917.

J&L Industrial Supply Co.
Detroit, MI
Joel H. Shapiro, President
1985 sales: $30 million
Branches: 4 **Employees:** 160
J&L is a successful mail order business that sells to 42,000 customers nationwide. President Shapiro said J&L prints a 336-pg catalog each year, as well as two supplemental catalogs, as a customer service. Shapiro maintained that the company enjoyed about a 15% sales increase in 1986 because of its service philosophy and substantial inventory. "If you give me a call before 3 p.m., you'll have the order the next day," he said. J&L has 25 inside and eight outside salespeople. Founded in 1971.

Kaman Bearing & Supply
Bloomfield, CT
Charles Kaman, CEO, Kaman Corp.
1986 sales: N.A.
Branches: 165 **Employees:** N.A.
In a segment of distribution that claims a number of specialized giants, Kaman has a unique advantage—its affiliation with the other segments of parent Kaman Corp., a defense manufacturer on one hand, a distributor on the other. Says a company spokesperson, "The division has the commitment and the know-how of top-level corporate experts and manufacturing and marketing expertise in bearings and distribution." The parent also offers the division inside information on the leading edge of technology. Founded in 1971.

Kaner Co.
Los Angles, CA
Jay Kaner, President
1986 sales: $35 million
Branches: 5 **Employees:** 175
Substantial inventory, financial stability and a good service record are reasons the Kaner Co. enjoyed a 9% sales gain in 1986. According to President Kaner, the company plans to open at least three new branches within the next year. This general line distributor has 50 inside and 35 outside salespeople, carries 300 product lines and handles about 500 orders daily. The company concentrates business on construction and industrial markets. Founded in 1980.

Kel-Welco Distributing, Inc.
Omaha, NE
Phillip Welch, President
1986 sales: $13 million
Branches: 5 **Employees:** 54
Going the extra mile for the customer makes Kel-Welco a major player within industrial distribution. A company spokesperson said one of Kel-Welco's strong points is its excellent product mix, which includes about 20 different major lines of power tools and fastener devices. Kel-Welco plans to upgrade its computer capabilities in the future by providing customers with order-entry capabilities and better inventory control. The company has 28 outside and 15 inside salespeople and handles about 400 orders daily. Founded in 1975.

King Bearing, Inc.
Costa Mesa, CA
Jean Paul Montupet, Chairman
1986 sales: $174 million
Branches: 92 **Employees:** 1080
Consistency and financial strength make this West Coast bearing and power transmission specialist an industry leader. King Bearing has technical specialists on staff, conducts surveys, makes inventory consultations, and offers 24-hour emergency service. The company opened four branches this year and is scheduled to open eight next year. King Bearing has 800 inside and 280 outside salespeople, carries 300 product lines and handles about 4000 orders daily. Systems contracts account for 8% of the company's business. Founded in 1945.

Krivo Industrial Supply Co.

Chicago, IL
Marcia Krivo, President

1986 sales: $10 million
Branches: 2 **Employees:** 50

Krivo Industrial Suppply is an aggressive company always looking for new ways to improve business. During the past 5 years, Krivo's branch office in Elk Grove Village, IL, has been a testing ground for a new computer system. A company spokesperson said Krivo is ready to use the system at its headquarters to handle a wide range of business functions, including estimating, purchasing and accounts payable. Krivo Supply has 15 inside and 12 outside salespeople and represents more than 500 product lines. Founded in 1954.

Lakeshore Machinery Inc.

Muskegon, MI
Dave Van Aelst, President

1986 sales: $3.5 million
Branches: 1 **Employees:** 13

Lakeshore attributes its success as a small specialty machinery and grinding shop to sticking with some basic business precepts: stay away from quick-dollar products; stay away from Taiwanese equipment; and stick to service, service, service. Although vague investment tax credit codes have recently hurt business, Van Aelst remains confident. While his competition is selling new machinery from offices, he says that his 18,000-sq-ft combination warehouse and service center will continue to provide his business with a leading edge. Founded in 1934.

Laman-Loesche Supply Co.

Philadelphia, PA
Peter D. Laman, Jr., President

1986 sales: $18 million
Branches: 2 **Employees:** 62

This general line distributor, which maintains a branch in nearby Egg Harbor, NJ, estimates annual sales at $18-$20 million. Laman-Loesche's customers and suppliers are said to be fiercely loyal to this company, which judiciously maintains its reputation as a dealer in top-of-the-line industrial products. Because it pays its bills promptly, the company's president says Laman-Loesche can always discount its suppliers' invoices. A fleet of mini-trucks guarantees prompt service within a radius of 150 miles around Philadelphia. Founded in 1949.

Machine Tool Supply, Inc.

Eagan, MN
Roy Otto, President

1986 sales: $15 million
Branches: 3 **Employees:** 58

An advanced computer system, financial stability and a staff of technical professionals help make Machine Tool Supply a first-rate company. According to President Roy Otto, Machine Tool Supply's specialists are well-versed in SPC systems and gauging technology. The company encourages all employees to attend manufacturers' training seminars in order to keep abreast of the abrasives and cutting tools fields. Founded in 1953.

James McGraw, Inc.

Richmond, VA
R. Eugene Mitchell, Chairman

1986 sales: $30 million
Branches: 8 **Employees:** 128

James McGraw's strength lies in the fact that it allows management to spend about 15% of its time with customers, according to Chairman Mitchell. Mitchell said he expects James McGraw to grow through acquisitions in the next few years. Currently, the company operates three branches in North Carolina under the name Smith-Courtney. James McGraw has 30 inside and 30 outside salespeople, carries 50 product lines and handles about 450 orders daily. Systems contracts generate roughly 10% of the company's business. Founded in 1866.

McJunkin Corp.

Charleston, WV
H.B. Wehrle, III, President

1986 sales: $204 million
Branches: 44 **Employees:** 1000

Financial stability, inventory and sheer size are all selling points for McJunkin Corp., a pipe, valves and fittings distributor operating in 22 states. According to President H.B. Wehrle, one of McJunkin's strong points is its highly trained employees. Wehrle noted that McJunkin has no new plans for acquisitions because the company is currently absorbing the March acquisition of Grant Supply Co., Houston, TX. The Grant purchase added 11 branches to the company. McJunkin has 175 inside and 125 outside salespeople. Founded in 1921.

Neill LaVielle Supply Co.

Louisville, KY
Robert G. Pfeiffer, Chairman, CEO

1986 sales: $25 million
Branches: 2 **Employees:** 145

Systems contracting, competitive pricing and a sales force with solid technical expertise contribute to Neill LaVielle's steady growth rate. Chairman Pfeiffer said the company is currently working with some of the large industrial companies in its region to coordinate a JIT-like arrangement for MRO supplies. This general line distributor has 25 inside and 25 outside salespeople, carries 150 product lines and handles about 700 orders each day. Systems contracts account for roughly 15% of the company's business. Founded in 1881.

Noland Co.

Newport News, VA
Lloyd V. Noland, Jr., President

1986 sales: $426.5 million
Branches: 101 **Employees:** 2000

In its 72 years, Noland grew from a one-store plumbing contractor into one of the largest general line distributors in the country. This publicly held company has branches in 13 states and plans to add 11 branches in Texas and expand into Florida. The company divides its business into a plumbing and heating department which accounts for half its sales, an electrical department, an industrial department, and an air conditioning and refrigeration department. Founded in 1915.

Phillips/Day & Maddock

(formerly Phillips Industrial Products)
Cleveland, OH
Robert V. Munson, President

1986 sales: $12 million
Branches: 4 **Employees:** 65

Munson attributes his company's annual growth of 15% to "commitment." He and his two brothers, who acquired the firm in 1968, place heavy emphasis on training, partnerships with vendors and customer service with 24-hour deliveries on orders. Phillips' computer tracks 20,000 line items continually through registering orders, inventory status and replenishment point. The company launched a successful telemarketing program this spring. Founded in 1948.

Plant Service Co.
Pittsburgh, PA
Lee Frazier, President
1986 sales: $7 million
Branches: 1 **Employees:** 39

Staying loyal to manufacturers and stocking inventory makes Plant Service a successful industrial distributor. A spokesperson for the company noted that Plant Service recently installed a high-speed band saw welder that allows the company to weld blades more efficiently. Plant Service has 10 outside and five inside salespeople, carries 150 product lines and handles about 100 orders each day. Systems contracts account for about 40% of the company's business. Founded in 1969.

Pleasants Hardware Co.
Winston-Salem, NC
C. Edward Pleasants, Jr., President
1986 sales: $30-$33 million
Branches: 5 **Employees:** 170

With the divestiture in June of its Dealer Div. (wholesale hardware) to Moore-Handley Inc. of Birmingham, AL, Pleasants' Hardware is left with its Boulevard Pro Hardware, a general line distributor operating out of a retail-type store. Also left intact is Pleasants' Contractor Sales Div. specializing in construction hardware. This division is the focus of a new and aggressive expansion program. One company officer attributed Pleasants' success to an "extremely dedicated workforce" and a continually replenished inventory. Founded in 1913.

Production Tool Supply Co.
Warren, MI
Mark S. Kahn, President
1986 sales: $10 million plus
Branches: 9 **Employees:** 230

Production Tool does more than half its business as a master distributor servicing other distributors. The company has no plans to expand beyond its immediate midwestern geographic area. Uniquely, the company employs no outside salespeople and instead relies entirely upon its widely distributed catalog, a 40-person inside sales force and its branches. The company attributes its success to the fact that it is privately held and has a strong management team. Founded in 1953.

Quality Mill Supply Co.
Columbus, IN
Donald E. Dowden, Chairman
1986 sales: $14 million
Branches: 4 **Employees:** 55

Continuity in its sales and management staff led to an 8% sales increase in 1986 for Quality Mill Supply. According to Chairman Dowden, the company will add technical specialists to its staff to cover electronic gauging and carbide cutting tools. This general line distributor has 11 outside and seven inside salespeople, carries 200 product lines and handles about 115 orders each day. In addition, systems contracts account for 20% of Quality Supply's business. Founded in 1944.

Rex Supply Corp.
Houston, TX
John P. Madden, President
1986 sales: N.A.
Branches: 6 **Employees:** 200

A victim of the steep drop in oil prices that severely affected much of Houston's businesses, Rex is ready for better days now that oil prices are starting to rebound. The secret of Rex's resilience is a pool of experienced personnel, a solid core of business and an excellent inventory. The company employs 19 inside and 43 outside salespeople. Systems contracts now comprise one-third of the company's business and Rex expects them to constitute an increasing share in the future. Founded in 1938.

C.W. Rod Tool Co.
Houston, TX
Randall L. Rod, President
1986 sales: $3 million
Branches: 1 **Employees:** 19

Maintaining a strong inventory base in one of the country's most depressed regions keeps this cutting tool specialist a top regional distributor. According to President Rod, the company's strengths are its financial stability and the technical support it gives customers. C.W. Rod has seven inside and four outside salespeople, carries 100 product lines and handles about 200 orders each day. Roughly 10% of the company's business comes from systems contracts. Founded in 1978.

S&K/Air Power Tool & Supply
Mattoon, IL
Carl Stacey, President
1986 sales: $12 million
Branches: 7 **Employees:** 60

S&K is a general line distributor with branches throughout a broad geographic territory. The company's major markets are the construction, chemicals, mining, defense, utilities, and transportation industries. S&K, which has 36 people on its sales force, has seen systems contracts grow from 10% of its business in 1985 to nearly 20% only a year later. The company offers a range of services including repair work, design, assembly, installation, 24-hour service, and technical assistance. Founded in 1961.

Satterlee Co.
Minneapolis, MN
James Campbell, President
1986 sales: $26 million
Branches: 4 **Employees:** 95

Despite the national decline in machine tool orders and problems in agricultural markets, Satterlee Co. continues to maintain steady sales levels. Indicative of its innovative style, a division within the company achieves large sales volume by marketing products nationally to high school shop classes. Additionally, this general line distributor sells to tool and job shops, metal manufacturing centers, and the pulp and mining industries. Founded in 1897.

Shadbolt & Boyd Co.
Milwaukee, WI
Thomas L. Doerr, President
1986 sales: N.A.
Branches: 3 **Employees:** N.A.

A commitment to excellence, along with its experienced staff, help make Shadbolt & Boyd one of ID's Top 75. This general line distributor markets a diverse range of products, including maintenance supplies, janitorial and safety products, shop tools and equipment, measuring equipment, and materials handling and storage products. Shadbolt's over 8000 end users include customers from small job shops to large industrial facilities. The company carries 500 different product lines. Shadbolt is an operating unit of the Doerr Corp., founded in 1983 to acquire industrial distribution firms; Shadbolt was Doerr's first acquisition. Founded in 1863.

Southern Belting & Transmission Co.
Atlanta, GA
Ray Dollar, President
1986 sales: $10 million
Branches: 2 **Employees:** 56

A commitment to customer service and strong technical expertise helped Southern Belting realize an 11% sales gain in 1986. With its specialty in variable frequency and dc drives, and digital counters, President Dollar said Southern Belting offers customers "a total solution to their technical problems." Dollar said that by providing financial incentives to every department in the company, Southern Belting increased productivity and customer satisfaction. The company has 14 outside and 10 inside salespeople. Founded in 1890.

Southwest Industrial Supply
Glendale, CA
Michael F. Maluccio, President
1986 sales: N.A.
Branches: 11 **Employees:** 130

This West Coast general line distributor boasts nine distributors in the West as well as distributorships in the Phillipines and Taiwan. "We're different in many ways," said President Maluccio. "We're independent." Maluccio said he enjoys an extremely close relationship with suppliers, 50 of whom supply 80% of his regular inventory. Maluccio said he buys independently to be "geared to the market," instead of buying what isn't needed under supplier pressure. Southwest has 10 order-entry test terminals in customers' buying offices and is experimenting with telemarketing. Founded in 1940.

Spencer Products Co.
Bedford Heights, OH
Robert Tuttle, President
1986 sales: $8 million
Branches: 4 **Employees:** 35

Stable employee and financial bases contribute to steady growth at Spencer Products. This family-owned speciality fastener distributor said its primary strength is the product knowledge of its employees, who are encouraged to attend manfacturers' training sessions. Spencer has five outside and five inside salespeople, carries 20 product lines and handles about 50 orders each day. The company's major markets are construction and automotive. Founded in 1950.

Strong Tool Co.
Cleveland, OH
Robert Kraisner, President
1986 sales: $20 million
Branches: 8 **Employees:** 85

"We've grown steadily for 10 years, with a 6% annual growth rate in a shrinking market," said Robert Kraisner. In describing the thrust behind this success, Kraisner said he wants the market to perceive abrasives, cutting tools and maintenance tooling as synonymous with Strong Tool. Brochures and direct mail produced in house help reach this goal by identifying STC as equal to, if not more dominant than, the supplier's name. "The more people identify us with the product, the more successful we are," Kraisner explained. "We're now the largest abrasive specialist in Ohio." Founded in 1958.

Texas Mill Supply & Mfg.
Galena Park, TX
M.K. Legro, President
1986 sales: $40 million
Branches: 4 **Employees:** 180

This general line distributor, which employs 28 inside and 25 outside salespeople, is in the process of expanding branches to improve service to its trade area in Texas and Louisiana. In addition to its branches, this innovative, privately held firm operates mobile units as mini-branches, stocking basic inventory and selling to construction sites, factories and highway crews. Its service area includes two-thirds of Texas and Louisiana. Founded in 1965.

Tracy Robinson & Williams
Hartford, CT
Thomas (Chip) Norris, Jr., President
1986 sales: $5.9 million
Branches: 1 **Employees:** 20

Although Chip Norris is always looking for new product lines, he said his company remains steadfastly committed to carrying the highest quality products at very competitive prices. For instance, the company has been a Norton distributor since 1901 and, Norris said, wouldn't dream of switching. One criterion always employed in selecting a new line, however, is an 18% profit line. If a product can't meet that demand, it is quickly replaced. Present plans call for trimming company product lines while expanding customer base. Founded in 1835.

Transply, Inc.
Dillsburg, PA
Ray L. Gross, President
1986 sales: $6.8 million
Branches: 5 **Employees:** 37

A sharp knowledge of the local market and a good record at moving product led to a 15% sales growth rate in 1986 for Transply. Gross, Transply's president, said the company's strengths include its financial stability, high service level and substantial inventory. The power transmission specialist has 11 outside and nine inside salespeople, carries 16 product lines and handles about 110 orders daily. Systems contracts account for roughly 10% of the firm's business. Founded in 1972.

Travers Tool Co.
Flushing, NY
C. Barry Zolot, President
1986 sales: $20 million
Branches: N.A. **Employees:** N.A.

Buy right. Sell right. The unheralded policy of this aggressive tool and metalworking supply specialist nets its above-average sales domestically and in 17 other countries. Inventory is so complete, the company claims it ships 97.5% of orders the same day. The mainly mail-order and telephone specialist issues a 362-pg catalog to select users but annually mails some one million pieces of literature to U.S. and overseas users. Travers designs and writes the literature in house. Founded in 1924.

Turner Supply Co.
Mobile, AL
Howard M. Schramm, Jr., President
1986 sales: $15 million
Branches: 5 **Employees:** 110

A staff of employees with sound product knowledge, as well as a strong financial base, make Turner Supply a favorite among manufacturers. Schramm, the company's president, explained that Turner Supply has no acquisition plans but is currently formulating a 5-year sales plan. In addition, the company had a computer program written to service the needs of the entire operation, including estimating, purchasing and inventory control. Turner has 21 inside and 15 outside salespeople, carries more than 200 lines and handles 280 orders daily. Founded in 1905.

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Industrial Distribution,® (USPS-889-860) is published monthly by Cahners Publishing, A Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. William M. Platt, President; Terrence M. McDermott, Executive Vice President; Ellsworth M. Brown, Jr., Group Vice President; Jerry D. Neth, Vice President/Publishing Operations; J.J. Walsh, Financial Vice President/Magazine Division; Thomas J. Dellamaria, Vice President/Production and Manufacturing. Industrial Distribution® copyright 1987 by Reed Publishing USA; Saul Goldweitz, Chairman; Ronald G. Segal, President and Chief Executive Officer; Robert L. Krakoff, Executive Vice President. Annual subscription rates for non-qualified individuals: USA, $50 per year; Canadian, foreign and surface mail, $70 per year; foreign (air mail), $150 per year. Single copies, $6. Address subscriptions to Industrial Distribution®, Circulation Dept., 44 Cook St., Denver, CO 80206. Phone 303/388-4511. Second-class postage paid at Denver, CO and additional mailing offices. Send address changes to Industrial Distribution at the Denver address.

REPRINTS: For quotes, contact Reprint Services, 1350 E. Touhy Ave., Des Plaines, IL 60018, (312) 735-8800

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